



DEPARTMENT OF THE ARMY  
U.S. ARMY CORPS OF ENGINEERS  
441 G STREET, NW  
WASHINGTON, DC 20314-1000

AUG 13 2019

CECW-MVD

MEMORANDUM FOR ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)

SUBJECT: Morganza to the Gulf - Adaptive Criteria Assessment Report

1. Reference is made to the following:

a. Headquarters U.S. Army Corps of Engineers (HQUSACE) 14 November 2018 meeting in Washington, D.C. with Representative Garret Graves, Louisiana Coastal Protection Restoration Authority Board, and local government stakeholders at which time concerns with the total cost of the Morganza to the Gulf (MTG) Project was discussed; and

b. HQUSACE 20 June 2019 meeting in Washington, D.C. with Representative Garret Graves, representatives from Louisiana Coastal Protection Restoration Authority Board, and local government stakeholders at which time the results of the MTG Adaptive Criteria Assessment Report (ACAR) was presented.

2. In the 20 June 2019 meeting referenced above the results of the MTG ACAR was discussed and Representative Graves was advised that the HQUSACE would submit the enclosed ACAR to your office for informational purposes and to initiate discussions regarding potential budgetary support for the re-envisioned project. The ACAR is a technical report and does not represent a decision document suitable for budgetary decisions; however, additional analysis in the Preconstruction, Engineering and Design (PED) phase, including an economic analysis, will produce a document that can be used to support such decisions as the project is considered for construction. Funding for PED is recommended in the Chief's FY 2021 budget submission.

3. The preparation of the MTG ACAR was agreed to in response to the 14 November 2018 meeting referenced above. In that meeting HQUSACE agreed to conduct an analysis to identify the potential for cost savings to reduce the total cost of the MTG project. The results of that analysis are documented in the enclosed MTG ACAR. The intent of the assessment was to determine the potential for reducing the total project cost of \$10.3 billion authorized by the Water Resources Reform and Development Act of 2014. The assessment determined that by site adapting the Corps' Post Katrina Hurricane and Storm Damage design criteria to the MTG project and taking into account work undertaken by the non-federal interests, the total cost of the project could potentially be reduced to a range of \$5.5-\$6 billion. As a direct result of the overall total cost of the project being reduced to \$6 billion the project would have a benefit to cost ratio 5 to 1 at the authorized discount rate of 2.875%. With the site

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adapted criteria the MTG project would continue to provide the authorized 100-year level of risk reduction and still require future levee lifts to address subsidence and sea level rise.

4. The assessment also considered an option that further reduced Federal investment in the project. This option considered limiting Federal participation to initial construction of the project to the 100-year level of risk reduction by 2035, with the non-federal sponsor responsible for performing any future levee lifts required to maintain the 100-year level of risk reduction beyond 2035. Under this scenario the cost of the project at the 2035 time horizon would be approximately \$3.2 billion, of which the Federal Share would be \$2.1 billion. The Coastal Protection and Restoration Authority Board submitted a letter of intent, dated 27 March 2019, supporting the option that limits Federal participation to initial construction.

5. The State of Louisiana through the Coastal Protection and Restoration Authority Board, the Terrebonne Levee and Conservation District (TLCD), and the residents of Terrebonne and Lafourche parishes fully support the authorized MTG Project. The residents have voted tax levies upon themselves to raise funds necessary to advance project construction ahead of Federal funding. To date, the State and TLCD have expended \$414 million designing and constructing approximately 47 miles of the 98 miles of authorized levee alignment to an elevation of 12 feet (NAVD88) as well as 21 structures. Another \$400 million is scheduled for construction of the Houma Navigation Canal Lock to begin in 2019. In total, the State's and TLCD's funds committed to the project consists of approximately \$814 million.

6. Questions should be directed to Eddie Douglass, Acting Deputy Chief, Mississippi Valley Division Regional Integration Team, at (202) 761-0297 or [edward.c.douglass@usace.army.mil](mailto:edward.c.douglass@usace.army.mil).



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